

AM Retail Danemark ApS

C/O Grant Thornton, Stockholmsgade 45, 2100 København Ø

Company reg. no. 36 05 61 42

Annual report

1 January - 31 December 2021

The annual report was submitted and approved by the general meeting on the 29 July 2022.



Michael Azoulay
Chairman of the meeting

Notes:

- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146,940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.

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Management's statement

Today, the managing director has presented the annual report of AM Retail Danmark ApS for the financial year 1 January - 31 December 2021.

The annual report has been presented in accordance with the Danish Financial Statements Act.

I consider the accounting policies appropriate and, in my opinion, the financial statements provide a fair presentation of the company's assets, equity and liabilities, and financial position at 31 December 2021 and of the company's results of activities in the financial year 1 January – 31 December 2021.

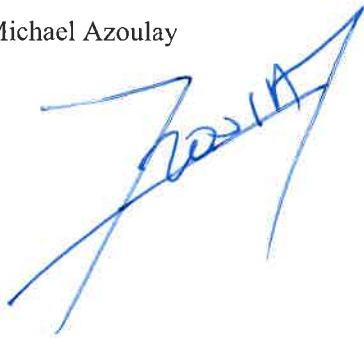
I am of the opinion that the management commentary presents a fair account of the issues dealt with.

We recommend that the annual report be approved at the Annual General Meeting.

København Ø, 29 July 2022

Managing Director

Michael Azoulay



Independent auditor's report

To the Shareholders of AM Retail Danmark ApS

Opinion

We have audited the financial statements of AM Retail Danmark ApS for the financial year 1 January - 31 December 2021, which comprise income statement, balance sheet, statement of changes in equity, notes and a summary of significant accounting policies, for the Company. The financial statements are prepared under the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2021, and of the results of the Company's operations for the financial year 1 January - 31 December 2021 in accordance with the Danish Financial Statements Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

Without affecting our conclusion, as mentioned in note 1 and in the management's review, we note that the company have suffered a significant loss of capital. On behalf of the received letter of comfort from the parent company, the annual report is presented on a going concern basis.

Management's Responsibilities for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Independent auditor's report

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

Independent auditor's report

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the financial statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that Management's Review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of Management's Review.

Copenhagen, 29 July 2022

Grant Thornton

State Authorised Public Accountants
Company reg. no. 34 20 99 36



Michael Beuchert

State Authorised Public Accountant
mne32794

Company information

The company

AM Retail Danmark ApS
C/O Grant Thornton
Stockholmsgade 45
2100 København Ø

Company reg. no. 36 05 61 42
Established: 1 August 2014
Domicile:
Financial year: 1 January - 31 December

Managing Director

Michael Azoulay

Auditors

Grant Thornton, Statsautoriseret Revisionspartnerselskab
Stockholmsgade 45
2100 København Ø

Bankers

Nykredit Bank A/S

Management's review

The principal activities of the company

The company's purpose is all activities relating to buying and selling textile products.

Unusual circumstances

There has been no unusual matters in the fiscal year.

Uncertainties about recognition or measurement

There has been no uncertainties as to recognition or measurement in the fiscal year.

Development in activities and financial matters

The gross profit for the year totals DKK 1.759.000 against DKK 1.399.000 last year. Income or loss from ordinary activities after tax totals DKK -400.000 against DKK -156.000 last year. Management considers the result for the year unsatisfactory.

We note that the company has suffered a significant loss of capital. We expects to restore the capital through future positive cash flow.

Events occurring after the end of the financial year

No events have occurred after the end of the financial year that could significantly affect the company's financial position.

Income statement 1 January - 31 December

All amounts in DKK.

<u>Note</u>	<u>2021</u>	<u>2020</u>
Gross profit	1.758.997	1.399.138
3 Staff costs	-1.473.379	-1.484.787
Depreciation and impairment of property, land, and equipment	-641.032	-71.094
Operating profit	-355.414	-156.743
Other financial income	149	2.508
Other financial costs	-44.892	-2.041
Pre-tax net profit or loss	-400.157	-156.276
Tax on net profit or loss for the year	0	0
Net profit or loss for the year	-400.157	-156.276
Proposed appropriation of net profit:		
Allocated from retained earnings	-400.157	-156.276
Total allocations and transfers	-400.157	-156.276

Balance sheet at 31 December

All amounts in DKK.

Assets		
Note	2021	2020
Non-current assets		
4 Other fixtures and fittings, tools and equipment	28.240	113.639
5 Leasehold improvements	2.028.209	1.330.550
Total property, plant, and equipment	<u>2.056.449</u>	<u>1.444.189</u>
6 Deposits	144.082	144.082
Total investments	<u>144.082</u>	<u>144.082</u>
Total non-current assets	<u>2.200.531</u>	<u>1.588.271</u>
Current assets		
Trade receivables	1.021.127	152.195
Other receivables	0	4.719
Prepayments and accrued income	220.751	27.442
Total receivables	<u>1.241.878</u>	<u>184.356</u>
Cash and cash equivalents	<u>1.369.505</u>	<u>524.450</u>
Total current assets	<u>2.611.383</u>	<u>708.806</u>
Total assets	<u>4.811.914</u>	<u>2.297.077</u>

Balance sheet at 31 December

All amounts in DKK.

Equity and liabilities		
<u>Note</u>	<u>2021</u>	<u>2020</u>
Equity		
Contributed capital	50.000	50.000
Retained earnings	-1.366.094	-965.937
Total equity	-1.316.094	-915.937
Liabilities other than provisions		
Trade payables	2.987.200	2.135.235
Payables to group enterprises	2.502.812	612.765
Other payables	637.996	465.014
Total short term liabilities other than provisions	6.128.008	3.213.014
Total liabilities other than provisions	6.128.008	3.213.014
Total equity and liabilities	4.811.914	2.297.077

1 Uncertainties concerning the enterprise's ability to continue as a going concern

2 Special items

7 Contingencies

Statement of changes in equity

All amounts in DKK.

	Contributed capital	Retained earnings	Total
Equity 1 January 2020	50.000	-809.661	-759.661
Profit or loss for the year brought forward	0	-156.276	-156.276
Equity 1 January 2021	50.000	-965.937	-915.937
Profit or loss for the year brought forward	0	-400.157	-400.157
	50.000	-1.366.094	-1.316.094

Notes

All amounts in DKK.

1. Uncertainties concerning the enterprise's ability to continue as a going concern

we note that the company have suffered a significant loss of capital. On behalf of the received letter og comfort from the parent company which is valid until May 31th 2023, the annual report is presented on a going concern basis.

2. Special items

The company have been significantly affected by the Covid-19 pandemic and the lockdown of the society. The company has therefore received wage compensation throughout the lockdown.

Special items for the year are specified below, indicating where they are recognised in the income statement.

	2021	2020
Income:		
Other operating income	128.665	251.849
	<u>128.665</u>	<u>251.849</u>
Special items are recognised in the following items in the financial statements:		
Other operating income under Gross profit	128.665	251.849
Profit of special items, net	<u>128.665</u>	<u>251.849</u>
3. Staff costs		
Salaries and wages	1.429.397	1.467.554
Other costs for social security	27.008	13.143
Other staff costs	16.974	4.090
	<u>1.473.379</u>	<u>1.484.787</u>
Average number of employees	<u>4</u>	<u>5</u>

Notes

All amounts in DKK.

	31/12 2021	31/12 2020
4. Other fixtures and fittings, tools and equipment		
Cost 1 January 2021	482.849	482.849
Additions during the year	29.300	0
Disposals during the year	-164.161	0
Cost 31 December 2021	347.988	482.849
Amortisation and writedown 1 January 2021	-369.210	-336.347
Depreciation for the year	-4.913	-32.863
Depreciation, amortisation and writedown for the year, assets disposed of	-32.861	0
Reversal of depreciation, amortisation and writedown, assets disposed of	87.236	0
Amortisation and writedown 31 December 2021	-319.748	-369.210
Carrying amount, 31 December 2021	28.240	113.639
5. Leasehold improvements		
Cost 1 January 2021	2.198.169	973.412
Additions during the year	1.223.995	1.224.757
Disposals during the year	-155.889	0
Cost 31 December 2021	3.266.275	2.198.169
Depreciation and writedown 1 January 2021	-867.619	-829.386
Depreciation for the year	-416.688	-38.233
Depreciation, amortisation and writedown for the year, assets disposed of	-31.110	0
Reversal of depreciation, amortisation and writedown, assets disposed of	77.351	0
Depreciation and writedown 31 December 2021	-1.238.066	-867.619
Carrying amount, 31 December 2021	2.028.209	1.330.550

Notes

All amounts in DKK.

	<u>31/12 2021</u>	<u>31/12 2020</u>
6. Deposits		
Cost 1 January 2021	144.082	143.968
Additions during the year	0	114
Cost 31 December 2021	<u>144.082</u>	<u>144.082</u>
Carrying amount, 31 December 2021	<u>144.082</u>	<u>144.082</u>

7. Contingencies**Contingent liabilities**

The company has a total rent liabilities that are equivalent of TDKK 4.121.

Accounting policies

The annual report for AM Retail Danmark ApS has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class B enterprises. Furthermore, the company has decided to comply with certain rules applying to reporting class C enterprises.

The accounting policies are unchanged from last year, and the annual report is presented in DKK.

Recognition and measurement in general

Income is recognised in the income statement concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs are recognised in the income statement, including depreciations amortisations, writedowns for impairment, provisions, and reversals due to changes in estimated amounts previously recognised in the income statement.

Assets are recognised in the statement of financial position when it seems probable that future economic benefits will flow to the company and the value of the asset can be reliably measured.

Liabilities are recognised in the statement of financial position when it is seems probable that future economic benefits will flow out of the company and the value of the liability can be reliably measured.

Assets and liabilities are measured at cost at the initial recognition. Hereafter, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost, allowing a constant effective interest rate to be recognised during the useful life of the asset or liability. Amortised cost is recognised as the original cost less any payments, plus/less accrued amortisations of the difference between cost and nominal amount. In this way, capital losses and gains are allocated over the useful life of the liability.

Upon recognition and measurement, allowances are made for such predictable losses and risks which may arise prior to the presentation of the annual report and concern matters that exist on the reporting date.

Income statement

Gross profit

Gross profit comprises the revenue, changes in inventories of finished goods, and work in progress, work performed for own account and capitalised, other operating income, and external costs.

The enterprise will be applying IAS 11 and IAS 18 as its basis of interpretation for the recognition of revenue.

Revenue is recognised in the income statement if delivery and passing of risk to the buyer have taken place before the end of the year and if the income can be determined reliably and inflow is anticipated. Recognition of revenue is exclusive of VAT and taxes and less any discounts relating directly to sales.

Accounting policies

Cost of sales comprises purchase of finished goods for resale .

Other operating income comprises items of a secondary nature as regards the principal activities of the enterprise, including profit from the disposal of intangible and tangible assets.

Other external costs comprise costs incurred for sales, advertising, administration, premises.

Staff costs

Staff costs include salaries and wages, including holiday allowances, pensions, and other social security costs, etc., for staff members. Staff costs are less government reimbursements.

Depreciation, amortisation, and writedown for impairment

Depreciation, amortisation, and writedown for impairment comprise depreciation on, amortisation of, and writedown for impairment of tangible assets, respectively.

Financial income and expenses

Financial income and expenses are recognised in the income statement with the amounts concerning the financial year. Financial income and expenses comprise interest income and expenses.

Tax on net profit or loss for the year

Tax for the year comprises the current income tax for the year and changes in deferred tax and is recognised in the income statement with the share attributable to the net profit or loss for the year and directly in equity with the share attributable to entries directly in equity.

Statement of financial position

Property, plant, and equipment

Property, plant, and equipment are measured at cost less accrued depreciation and writedown for impairment.

The depreciable amount is cost less any expected residual value after the end of the useful life of the asset. The amortisation period and the residual value are determined at the acquisition date and reassessed annually. If the residual value exceeds the carrying amount, the depreciation is discontinued.

If the amortisation period or the residual value is changed, the effect on amortisation will, in future, be recognised as a change in the accounting estimates.

The cost comprises acquisition cost and costs directly associated with the acquisition until the time when the asset is ready for use.

Depreciation is done on a straight-line basis according to an assessment of the expected useful life:

Useful life

Accounting policies

Other PPE, fixtures and fittings, tools and equipment

5 years

Minor assets with an expected useful life of less than 1 year or a cost price under DKK 30,700 are recognised as costs in the income statement in the year of acquisition.

Leasehold improvements

Leasehold improvements are measured at cost less accrued depreciations. Depreciation is done on a straightline basis over the estimated useful life of the asset, which is set at 5 years.

Investments

Deposits

Deposits are measured at amortised cost and represent lease deposits, etc.

Receivables

Receivables are measured at amortised cost, which usually corresponds to nominal value.

Prepayments and accrued income

Prepayments and accrued income recognised under assets comprise incurred costs concerning the following financial year.

Cash on hand and demand deposits

Cash on hand and demand deposits comprise cash at bank and on hand.

Liabilities other than provisions

Other liabilities concerning payables to suppliers, group enterprises, and other payables are measured at amortised cost which usually corresponds to the nominal value.